

SERVICES AGREEMENT

This Services Agreement (this "Agreement") is made and entered into as of the 4th day of April, 2000, between Enron Corp., an Oregon corporation ("Enron"), and LJM2 Capital Management, L.P., a Cayman Island company ("LJM2"). Enron and LJM2 may hereinafter be referred to individually as a "Party" or collectively as the "Parties".

RECITALS:

WHEREAS, Enron and LJM2 desire by their execution of this Agreement to evidence their understanding concerning the provision of certain services by Enron to LJM2;

NOW, THEREFORE, for and in consideration of the mutual promises and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

1. Services. Enron agrees to provide and LJM2 agrees to purchase, subject to the terms and conditions set forth herein, services for account set-up and closure, payments, collections, and investment execution, and any other cash management service mutually agreed by the Parties (collectively, the "Services").
2. Term. This Agreement shall become effective and Enron shall make the Services available to LJM2 pursuant to the terms of this Agreement for the period commencing on March 21, 2000, and shall terminate upon 30 days written notice by either party; provided, however, that LJM2 shall remain responsible for all out-of-pocket costs and expenses incurred by Enron pursuant to agreements entered into by Enron for the benefit of LJM2 that could not be terminated prior to the date of termination of this Agreement.
3. Payment. LJM2, as compensation for the performance of the Services, agrees to the fee schedule as outlined in Attachment A. Invoices shall be submitted quarterly and are due 30 days from invoice date.
4. Information from LJM2 Any information necessary for Enron or any third party to perform any Services shall be submitted by LJM2 in a manner mutually agreed upon by the Parties. Should LJM2's failure to supply such information render Enron's or any third party's performance of any Services unreasonably difficult, Enron or any third party, upon reasonable notice to LJM2, may refuse to perform such Services until such information is supplied.
5. Sole Beneficiaries. LJM2 acknowledges that the Services shall be provided only with respect to the business of LJM2 and its subsidiaries or affiliates. LJM2 will not request performance of any Services for the benefit of any entity other than LJM2 and its subsidiaries or affiliates. LJM2 represents and agrees that it will use the Services only in accordance with all applicable federal, state and local laws and regulations and communications and common carrier tariffs, and in accordance with the reasonable conditions, rules, regulations and specifications which may be set forth in any manuals, materials, documents, or instructions in existence on the effective date of this Agreement and furnished by Enron to LJM2. Enron reserves the right to take all actions, including termination of any particular Services, that Enron reasonably believes to be necessary to assure compliance with applicable laws, regulations and tariffs.
6. Scope of Undertaking. Enron's duties and responsibilities in connection with this Agreement shall be purely ministerial and shall be limited to those expressly set forth in this Agreement. Enron is not a principal, participant or beneficiary in any transaction underlying this agreement and shall have no duty to inquire beyond the terms and provisions hereof. Enron may rely on, and shall not be liable for acting or refraining from acting in accordance with any written notice, instruction or request furnished to it hereunder or pursuant hereto and believed by it to have been signed or presented by the proper party. It is hereby expressly agreed and stipulated by the parties that Enron shall not be required to exercise any

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discretion hereunder and shall have no investment or management responsibility and, accordingly, shall have no duty to, or liability for its failure to, provide investment recommendations or investment advice to LJM2. It is the intention of the parties hereto that Enron shall never be required to use, advance or risk its own funds or otherwise incur financial liability in the performance of any of its duties or the exercise of any of its rights or powers hereunder.

7. **LIMITED WARRANTY; LIMITATION OF LIABILITY.** ALL PRODUCTS OBTAINED FOR LJM2 ARE AS IS, WHERE IS, WITH ALL FAULTS, OTHER THAN FAULTS DUE TO THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ENRON. NEITHER ENRON, ANY ENRON AFFILIATE NOR ANY THIRD PARTY PERFORMING ANY SERVICES HEREUNDER MAKE ANY WARRANTIES OR REPRESENTATIONS WHATSOEVER, EXPRESS OR IMPLIED, INCLUDING THE WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE SERVICES RENDERED OR PRODUCTS OBTAINED FOR LJM2. NOTWITHSTANDING THE FOREGOING, TO THE EXTENT A WARRANTY PROVIDED BY A THIRD PARTY MANUFACTURER OR PROVIDER OF GOODS OR SERVICES TO ENRON CAN BE PASSED ON TO LJM2, NOTHING HEREIN IS INTENDED TO LIMIT AND LJM2 SHALL HAVE THE RIGHT TO THE BENEFITS (SUBJECT TO THE TERMS AND CONDITIONS THEREOF) OF ALL SUCH THIRD PARTY WARRANTIES.

IN NO EVENT SHALL EITHER ENRON OR LJM2 BE LIABLE TO THE OTHER PARTY OR ANY OTHER PERSON FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES RESULTING FROM ANY ERROR IN THE PERFORMANCE OF SERVICES OR FROM THE BREACH OF THIS AGREEMENT, REGARDLESS OF SUCH PARTY'S OR ANY THIRD PARTY'S FAULT. TO THE EXTENT ANY THIRD PARTY HAS LIMITED ITS LIABILITY TO EITHER ENRON OR LJM2 FOR SERVICES UNDER AN OUTSOURCING OR OTHER AGREEMENT, THE OTHER PARTY AGREES TO BE BOUND BY SUCH LIMITATION OF LIABILITY FOR ANY PRODUCT OR SERVICE PROVIDED TO ENRON OR LJM2 BY SUCH THIRD PARTY UNDER SUCH AGREEMENT.

8. **Force Majeure.** Enron shall have no obligation to perform the Services if its failure to do so is caused by or results from any act of God, governmental action, natural disaster, strike, failure of essential equipment or any other cause or circumstance beyond the control of Enron. Enron agrees that upon restoring service following any failure of any equipment necessary for Enron to provide any Services, Enron will allow LJM2 to have equal priority, in accordance with prior practice, with respect to access to the restored service. At its election, Enron may cause one or more of its subsidiaries, affiliates or third party contractors to provide the Services; however, such action shall not release Enron from its obligations under this Agreement.

9. **Severability.** In the event any portion of this Agreement shall be found by a court of competent jurisdiction to be unenforceable, that portion of the Agreement will be null and void and the remainder of the Agreement will be binding on the Parties as if the unenforceable provisions had never been contained herein.

10. **Assignment.** This Agreement shall not be assignable by either of the Parties hereto without prior written consent of the other.

11. **Entire Agreement; Amendment.** This Agreement constitutes the entire agreement of the Parties relating to the performance of the Services and all prior or contemporaneous written or oral

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agreements are merged herein. This Agreement may not be amended or otherwise modified except by a writing signed by both Parties.

12. Choice of Law This Agreement shall be governed by the laws of the State of Texas, without regard to any conflict-of-law rule or principle that might refer the construction or interpretation of this Agreement to the laws of another state.

13. Notice. Any notice, request, instruction, correspondence or other document to be given hereunder by either Party to the other (herein collectively called "Notice") shall be in writing and delivered personally or mailed, postage prepaid, or by facsimile or telegram, as follows:

If to Enron: Enron Corp.
Attn: Mary Perkins
1400 Smith Street
Houston, TX 77002

If to LJM2: LJM2 Capital Management, L.P.
333 Clay St. - Suite 1203
Houston, TX 77002

Notice given by personal delivery or mail shall be effective upon actual receipt by the Party to whom addressed. Notice given by facsimile or telegram shall be effective upon actual receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next business day after receipt if not received during the recipient's normal business hours. Any Party may change any address to which Notice is to be given to it by giving Notice as provided above of such change of address.

14. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have caused this Services Agreement to be signed on their behalf by their duly authorized officers or individuals.

LJM2 Capital Management, L.P.

By: 

Name:
Title:

Enron Corp.

By:  COA

Name: Mary Perkins
Title: Asst. Treasurer

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Attachment A

Schedule of Fees:

| | |
|---|--|
| Account Opening | |
| New York Accounts | \$50 |
| Other locations | Subject to Mutual Agreement |
| Account Closure | |
| New York Accounts | \$25 |
| Other locations | Subject to Mutual Agreement |
| Direct Bank Charges Including but not limited to Transaction Fees, Account Maintenance, Reconciliation Services, Auto Sweep Investments, Overdraft fees, and other administrative services. | Reimbursement of fees from third party service provider |
| Wire Transfers-Manual Execution | |
| Regular | \$ 5.00 |
| Priority | \$15.00 |
| Investment Execution & Administration | \$2,000 per month |

Fees are subject to change with 60 days prior written notice.

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SERVICES AGREEMENT

This Services Agreement (this "Agreement") is made and entered into as of the 4th day of April, 2000, between Enron Corp., an Oregon corporation ("Enron"), and LJM Management, L.P., a Cayman Island company ("LJM"). Enron and LJM may hereinafter be referred to individually as a "Party" or collectively as the "Parties".

RECITALS:

WHEREAS, Enron and LJM desire by their execution of this Agreement to evidence their understanding concerning the provision of certain services by Enron to LJM;

NOW, THEREFORE, for and in consideration of the mutual promises and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

1. Services. Enron agrees to provide and LJM agrees to purchase, subject to the terms and conditions set forth herein, services for account set-up and closure, payments, collections, and investment execution, and any other cash management service mutually agreed by the Parties (collectively, the "Services").
2. Term. This Agreement shall become effective and Enron shall make the Services available to LJM pursuant to the terms of this Agreement for the period commencing on June 28, 1999, and shall terminate upon 30 days written notice by either party; provided, however, that LJM shall remain responsible for all out-of-pocket costs and expenses incurred by Enron pursuant to agreements entered into by Enron for the benefit of LJM that could not be terminated prior to the date of termination of this Agreement.
3. Payment. LJM, as compensation for the performance of the Services, agrees to the fee schedule as outlined in Attachment A. Invoices shall be submitted quarterly and are due 30 days from invoice date.
4. Information from LJM. Any information necessary for Enron or any third party to perform any Services shall be submitted by LJM in a manner mutually agreed upon by the Parties. Should LJM's failure to supply such information render Enron's or any third party's performance of any Services unreasonably difficult, Enron or any third party, upon reasonable notice to LJM, may refuse to perform such Services until such information is supplied.
5. Sole Beneficiaries. LJM acknowledges that the Services shall be provided only with respect to the business of LJM and its subsidiaries or affiliates. LJM will not request performance of any Services for the benefit of any entity other than LJM and its subsidiaries or affiliates. LJM represents and agrees that it will use the Services only in accordance with all applicable federal, state and local laws and regulations and communications and common carrier tariffs, and in accordance with the reasonable conditions, rules, regulations and specifications which may be set forth in any manuals, materials, documents, or instructions in existence on the effective date of this Agreement and furnished by Enron to LJM. Enron reserves the right to take all actions, including termination of any particular Services, that Enron reasonably believes to be necessary to assure compliance with applicable laws, regulations and tariffs.
6. Scope of Undertaking. Enron's duties and responsibilities in connection with this Agreement shall be purely ministerial and shall be limited to those expressly set forth in this Agreement. Enron is not a principal, participant or beneficiary in any transaction underlying this agreement and shall have no duty to inquire beyond the terms and provisions hereof. Enron may rely on, and shall not be liable for acting or refraining from acting in accordance with any written notice, instruction or request furnished to it hereunder or pursuant hereto and believed by it to have been signed or presented by the proper party. It is hereby expressly agreed and stipulated by the parties that Enron shall not be required to exercise any

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discretion hereunder and shall have no investment or management responsibility and, accordingly, shall have no duty to, or liability for its failure to, provide investment recommendations or investment advice to LJM. It is the intention of the parties hereto that Enron shall never be required to use, advance or risk its own funds or otherwise incur financial liability in the performance of any of its duties or the exercise of any of its rights or powers hereunder.

7. **LIMITED WARRANTY; LIMITATION OF LIABILITY.** ALL PRODUCTS OBTAINED FOR LJM ARE AS IS, WHERE IS, WITH ALL FAULTS, OTHER THAN FAULTS DUE TO THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ENRON. NEITHER ENRON, ANY ENRON AFFILIATE NOR ANY THIRD PARTY PERFORMING ANY SERVICES HEREUNDER MAKE ANY WARRANTIES OR REPRESENTATIONS WHATSOEVER, EXPRESS OR IMPLIED, INCLUDING THE WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE SERVICES RENDERED OR PRODUCTS OBTAINED FOR LJM. NOTWITHSTANDING THE FOREGOING, TO THE EXTENT A WARRANTY PROVIDED BY A THIRD PARTY MANUFACTURER OR PROVIDER OF GOODS OR SERVICES TO ENRON CAN BE PASSED ON TO LJM, NOTHING HEREIN IS INTENDED TO LIMIT AND LJM SHALL HAVE THE RIGHT TO THE BENEFITS (SUBJECT TO THE TERMS AND CONDITIONS THEREOF) OF ALL SUCH THIRD PARTY WARRANTIES.

IN NO EVENT SHALL EITHER ENRON OR LJM BE LIABLE TO THE OTHER PARTY OR ANY OTHER PERSON FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES RESULTING FROM ANY ERROR IN THE PERFORMANCE OF SERVICES OR FROM THE BREACH OF THIS AGREEMENT, REGARDLESS OF SUCH PARTY'S OR ANY THIRD PARTY'S FAULT. TO THE EXTENT ANY THIRD PARTY HAS LIMITED ITS LIABILITY TO EITHER ENRON OR LJM FOR SERVICES UNDER AN OUTSOURCING OR OTHER AGREEMENT, THE OTHER PARTY AGREES TO BE BOUND BY SUCH LIMITATION OF LIABILITY FOR ANY PRODUCT OR SERVICE PROVIDED TO ENRON OR LJM BY SUCH THIRD PARTY UNDER SUCH AGREEMENT.

8. **Force Majeure.** Enron shall have no obligation to perform the Services if its failure to do so is caused by or results from any act of God, governmental action, natural disaster, strike, failure of essential equipment or any other cause or circumstance beyond the control of Enron. Enron agrees that upon restoring service following any failure of any equipment necessary for Enron to provide any Services, Enron will allow LJM to have equal priority, in accordance with prior practice, with respect to access to the restored service. At its election, Enron may cause one or more of its subsidiaries, affiliates or third party contractors to provide the Services; however, such action shall not release Enron from its obligations under this Agreement.

9. **Severability.** In the event any portion of this Agreement shall be found by a court of competent jurisdiction to be unenforceable, that portion of the Agreement will be null and void and the remainder of the Agreement will be binding on the Parties as if the unenforceable provisions had never been contained herein.

10. **Assignment.** This Agreement shall not be assignable by either of the Parties hereto without prior written consent of the other.

11. **Entire Agreement; Amendment.** This Agreement constitutes the entire agreement of the Parties relating to the performance of the Services and all prior or contemporaneous written or oral

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agreements are merged herein. This Agreement may not be amended or otherwise modified except by a writing signed by both Parties.

12. Choice of Law. This Agreement shall be governed by the laws of the State of Texas, without regard to any conflict-of-law rule or principle that might refer the construction or interpretation of this Agreement to the laws of another state

13. Notice. Any notice, request, instruction, correspondence or other document to be given hereunder by either Party to the other (herein collectively called "Notice") shall be in writing and delivered personally or mailed, postage prepaid, or by facsimile or telegram, as follows:

If to Enron: Enron Corp.
Attn: Mary Perkins
1400 Smith Street
Houston, TX 77002

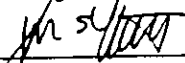
If to LJM: LJM Management, L.P.
333 Clay St. - Suite 1203
Houston, TX 77002

Notice given by personal delivery or mail shall be effective upon actual receipt by the Party to whom addressed. Notice given by facsimile or telegram shall be effective upon actual receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next business day after receipt if not received during the recipient's normal business hours. Any Party may change any address to which Notice is to be given to it by giving Notice as provided above of such change of address.

14. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have caused this Services Agreement to be signed on their behalf by their duly authorized officers or individuals.

LJM Management, L.P.

By: 

Name:
Title:

Enron Corp.

By:  cck

Name: Mary Perkins
Title: Asst. Treasurer

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Attachment A

Schedule of Fees:

| | |
|---|--|
| Account Opening | |
| New York Accounts | \$50 |
| Other locations | Subject to Mutual Agreement |
| Account Closure | |
| New York Accounts | \$25 |
| Other locations | Subject to Mutual Agreement |
| Direct Bank Charges Including but not limited to Transaction Fees, Account Maintenance, Reconciliation Services, Auto Sweep Investments, Overdraft fees, and other administrative services. | Reimbursement of fees from third party service provider |
| Wire Transfers-Manual Execution | |
| Regular | \$ 5.00 |
| Priority | \$15.00 |
| Investment Execution & Administration | \$2,000 per month |

Fees are subject to change with 60 days prior written notice.

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SERVICES AGREEMENT

THIS SERVICES AGREEMENT (this "*Agreement*"), dated as of July 17, 2000, but effective for all purposes as of June 30, 1999, by and between (i) LJM Management, L.P., a Delaware limited partnership ("*LJM1 Management*"), and LJM2 Capital Management, L.P., a Delaware limited partnership ("*LJM2 Management*"), and (ii) Enron Corp., an Oregon corporation ("*Enron*").

WITNESSETH:

WHEREAS, LJM1 Management provides certain management services to LJM Cayman, L.P. ("*LJM1*") pursuant to that certain Management Agreement dated June 30, 1999 by and among LJM1 Management, LJM Partners, L.P. (as general partner of LJM1), and LJM1; and

WHEREAS, LJM2 Management provides certain management services to LJM2 Co-Investment, L.P. ("*LJM2*") as contemplated by the Third Amended and Restated Agreement of Limited Partnership of LJM2, dated as of April 5, 2000 (as the same has been amended by that certain Amendment effective as of June 30, 2000); and

WHEREAS, LJM1 Management and LJM2 Management shall collectively be referred to herein as "LJM Management" and LJM1 and LJM2 shall collectively be referred to herein as the "Partnership"; and

WHEREAS, LJM Management desires to utilize certain employees and other support services from Enron or its subsidiaries as needed in order to provide various services to the Partnership and Enron agrees, subject to the terms and conditions hereof, to make available to LJM Management such employees and other support services during the term of this Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

1. *Enron Employees.* (a) During the term of this Agreement, Enron shall make or cause to be made available to LJM Management employees of Enron or its subsidiaries as requested by LJM Management and approved by Enron (employees so provided are referred to herein as "*Enron Employees*") to provide administrative assistance to LJM Management in rendering management services to the Partnership, provided that (i) Enron reserves the right at all times to refuse to make available any person (or to discontinue the availability of any person) for any reason and (ii) LJM Management reserves the right at all times to cease using the services of any such person for any reason. LJM Management has requested, and Enron has approved, that the Enron Employees set forth on Annex A shall be made available to LJM Management in accordance with the terms and conditions set forth in Annex A. Enron Employees (i) shall remain regular, full-time employees of Enron (or such subsidiary), (ii) shall be treated as regular, full-time employees of Enron (or such subsidiary) under all compensation and benefit plans and (iii) shall not be deemed to be employees of LJM Management. Enron (or such subsidiary) shall be responsible for all withholding taxes associated with the employment of such persons.

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(b) In order to facilitate the training and development of Enron's employees, LJM Management will make rotations available to the Associates and Analysts of Enron (and its subsidiaries). Enron (and such subsidiaries) will be under no obligation to use any of such available rotations. If Enron (or a subsidiary) does use any of such rotations, the Enron Employees participating in the rotation program (i) shall remain regular, full-time employees of Enron (or such subsidiary), (ii) shall be treated as regular, full-time employees of Enron (or such subsidiary) under all compensation and benefit plans and (iii) shall not be deemed to be employees of LJM Management. Enron (or such subsidiary) shall be responsible for all withholding taxes and other employer taxes or contributions as required by applicable law associated with the employment of such persons.

2. *Administrative Support.* During the term of this Agreement, LJM Management personnel and Enron Employees providing services to LJM Management may (subject to paragraph 3 below) utilize facilities, services and vendor accounts of Enron and its subsidiaries (such as postage, courier services, photocopying, facsimile, telephone, limousine services and the like) to provide administrative support to LJM Management ("Support Services").

3. *Compensation.* (a) LJM Management shall compensate Enron for the use of Enron Employees based on the cost to Enron and its subsidiaries for such Enron Employee and the amount of time that such Enron Employee spends providing services to LJM Management. For each Enron Employee made available to LJM Management, Enron and LJM Management shall agree, with reasonable promptness after such Enron Employee is first made available to LJM Management, upon a "per diem" rate or other reasonable cost allocation based upon the annual cost to Enron and its subsidiaries for such Enron Employee, including Base Compensation and Benefits, but excluding office space, administrative support and other allocated "overhead" costs (the "Employee Cost"). The Employee Cost for each Enron Employee shall be adjusted annually (or more frequently as Enron deems necessary) to reflect any changes in the Employee Cost for such Enron Employee. LJM Management and Enron have agreed that (i) Annex A hereto sets forth the types of compensation to be paid by LJM Management for the Enron Employees identified in Annex A and (ii) with respect to the Enron Employees participating in the rotation program described in paragraph 1(b) hereof, Enron (or such subsidiary) shall pay all compensation (including, but not limited to, base salary, cash bonus, long-term incentive compensation and benefits) related to such persons.

(b) If an Enron Employee ceases providing services to LJM Management for any reason, then LJM Management's obligation to compensate Enron for the use of such Enron Employee shall cease immediately and any reimbursable items such as cash bonuses shall be prorated in a manner to be agreed by the parties hereto.

(c) LJM Management shall also be responsible for reimbursing Enron for the cost to Enron and its subsidiaries for Support Services provided to LJM Management (the method for determining same to be agreed upon by LJM Management and Enron).

(d) The parties hereto acknowledge that some activities of LJM Management will also be for the benefit of Enron (such as a business trip with both LJM Management and Enron appointments) and agree to allocate the costs related thereto between Enron and LJM Management in a manner that is agreed upon by the parties hereto.

(e) For purposes of this Agreement, the following terms shall have the following meanings:

- (i) "Benefits" means, for each employee, any benefits that Enron provides or may provide from time to time, including, without limitation, bonuses, long-term incentive compensation, qualified retirement benefits and health and welfare benefits, including, without limitation, severance and Enron's contribution if any to its employees pension and other retirement benefit plans, in accordance with the plan documents governing such benefit.
- (ii) "Base Compensation" means, for each employee, all amounts paid by Enron to its employees by way of salary, incentives, premiums and any other paid supplements as they may be increased from time to time by Enron, excluding Benefits.

4. *Accounting and Payment.* (a) LJM Management shall account for and maintain records of the amount of time actually expended by Enron Employees (other than those listed on Annex A and those participating in the rotation program described in paragraph 1(b) hereof) on LJM Management matters and the amount of Support Services utilized by LJM Management personnel and Enron Employees in providing services to LJM Management, which records shall be made available to Enron at its request. LJM Management shall remit payments to Enron semi-annually in arrears on each July 1 and each January 1 during the term of this Agreement (and at the termination of this Agreement), for amounts owing under paragraph 3 hereof for such prior semi-annual period, along with an accounting showing, in reasonable detail, LJM Management's calculation of the amount to be paid. Enron shall have the right to contest such accounting.

(b) Enron's accounting group will perform a quarterly (or, at Enron's option, more frequent) audit to ensure that Enron is being fully and properly compensated for all Enron Employees and Support Services that are being provided to LJM Management hereunder.

5. *Termination.* This Agreement shall be in effect for a term of one year, and shall automatically renew for additional one-year terms unless any party gives notice of its desire to terminate not later than sixty (60) days prior to the end of the applicable one-year term.

6. *Notices.* All notices, demands and other communications to be given and delivered under or by reason of provisions under this Agreement shall be in writing and shall be deemed to have been given when personally delivered, sent by express overnight courier service, or mailed by first class mail, return receipt requested, to the addresses set forth below.

LJM Management:

333 Clay Street
Suite 1203
Houston, TX 77002
Attention: Andrew S. Fastow

Enron:

1400 Smith Street
Houston, TX 77002-7361
Attention: Richard Causey

7. *Amendments; Waivers.* This Agreement may be amended only by an agreement in writing executed by the parties hereto. No waiver of any provision nor consent to any exception to the terms of this Agreement shall be effective unless in writing and signed by the party to be bound, and then only to the specific purpose, extent and instance so provided.

8. *Counterparts.* This Agreement and any other agreement (or document) delivered pursuant hereto may be executed in one or more counterparts. All of such counterparts shall constitute one and the same agreement and shall become effective when one or more counterparts of this Agreement have been signed by each party and delivered to the other party.

9. *Governing Law; Arbitration.* All questions concerning the construction, validity and interpretation of this Agreement shall be governed by the internal law, and not the law of conflicts, of the State of Texas. The parties hereto agree to submit to arbitration in the City of Houston, Texas any dispute arising out of this Agreement under the Commercial Arbitration Rules of the American Arbitration Association. The parties agree that any such dispute shall be submitted to three arbitrators selected from the panel of arbitrators of the American Arbitration Association. The parties further agree that they will faithfully observe this Agreement and such Rules, that they will abide by and perform any award rendered by the arbitrators and that a judgment of a court having jurisdiction may be entered upon the award.

10. *Severability.* If any provision of this Agreement is held invalid by any court, governmental agency or regulatory body, the other provisions to the extent permitted by law shall remain in full force and effect.

11. *Consequential Damages.* **IN NO EVENT SHALL ANY PARTY HERETO BE LIABLE FOR ANY LOST OR PROSPECTIVE PROFITS OR ANY OTHER SPECIAL, PUNITIVE, EXEMPLARY, CONSEQUENTIAL, INCIDENTAL OR INDIRECT LOSSES OR DAMAGES (IN TORT, CONTRACT OR OTHERWISE) UNDER OR IN RESPECT OF**

**THIS AGREEMENT OR FOR ANY FAILURE OF PERFORMANCE RELATED HERETO
HOWSOEVER CAUSED, WHETHER OR NOT ARISING FROM A PARTY'S SOLE,
JOINT OR CONCURRENT NEGLIGENCE.**

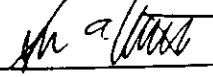
12. *No Authority to Bind.* Unless otherwise authorized by LJM Management, nothing in this Agreement shall convey authority on Enron to bind, or attempt to bind, LJM Management to any contract or the performance of any obligation, and Enron shall not represent to third parties that Enron has any right to enter into any binding obligation on LJM Management's behalf. Unless otherwise authorized by Enron, nothing in this Agreement shall convey authority on LJM Management to bind, or attempt to bind, Enron to any contract or the performance of any obligation, and LJM Management shall not represent to third parties that LJM Management has any right to enter into any binding obligation on Enron's behalf.

**[END OF PAGE]
[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed as of the date first above written.

LJM MANAGEMENT, L.P.

By: LJM Management, LLC,
its General Partner

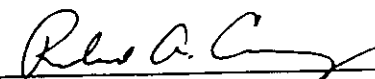
By: 
Andrew S. Fastow
Member

LJM2 CAPITAL MANAGEMENT, L.P.

By: LJM2 Capital Management, LLC,
its General Partner

By: 
Andrew S. Fastow
Managing Member

ENRON CORP.

By:  *SM S RF*
Richard A. Causey
Executive Vice President and
Chief Accounting Officer

ANNEX A

1. Michael Kopper: LJM Management will pay all of Michael Kopper's cash bonus (relating to the fiscal year 2000 and thereafter). Enron will continue to pay all other typical compensation including, but not limited to, base salary, long-term incentive compensation, and benefits.
2. Kathy Lynn: LJM Management will pay all of Kathy Lynn's base salary (effective January 1, 2000) and cash bonus (relating to the fiscal year 2000 and thereafter). Enron will continue to pay all other typical compensation including, but not limited to, long-term incentive compensation and benefits.
3. Anne Yaeger: LJM Management will pay one-half of Anne Yaeger's base salary (effective January 1, 2000) and one-half of Anne Yaeger's cash bonus (relating to the fiscal year 2000 and thereafter). Enron will continue to pay one-half of Anne Yaeger's base salary and cash bonus and 100% of all other typical compensation including, but not limited to, long-term incentive compensation and benefits.
4. Amy Flores: LJM Management will pay all of Amy Flores' base salary (effective January 1, 2000) and cash bonus (relating to the fiscal year 2000 and thereafter). Enron will continue to pay all other typical compensation including, but not limited to, long-term incentive compensation and benefits.

**LJM2 –
BUSINESS CODE OF CONDUCT**

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LJM 2 Original
closing
Back-up materials

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LJM2 -
BUSINESS CODE OF CONDUCT

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Investments and Outside Business Interests of Officers and Employees

Employees of the Company have inquired from time to time as to the propriety of their association with, or the investment of their personal funds in, business enterprises similar in character to certain activities of the Company. In response, the Company has established certain principles for the guidance of officers and employees with respect to personal business and investment interests.

The primary consideration of the employment of every full-time (regular as well as temporary) officer and employee should be the fact that the employer is entitled to expect of every such person complete loyalty to the best interests of the Company and the maximum application of skill, talent, education, etc., to the discharge of job responsibilities, without any reservations whatever. Therefore, it follows that no full-time officer or employee should:

- (a) Engage in any outside activity or enterprise which could interfere in any way with job performance;
- (b) Make investments or perform services for his or her own or related interest in any enterprise under any circumstances where, by reason of the nature of the business conducted by such enterprise, there is, or could be, a disparity or conflict of interest between the officer or employee and the Company; or
- (c) Own an interest in or participate, directly or indirectly, in the profits of any other entity which does business with or is a competitor of the Company, unless such ownership or participation has been previously disclosed in writing to the Chairman of the Board and Chief Executive Officer of Enron Corp. and such officer has determined that such interest or participation does not adversely affect the best interests of the Company.

Notwithstanding any provision to the contrary in this Policy on Investments, securities of publicly owned corporations which are regularly traded on the open market may be owned without disclosure if they are not purchased as a result of confidential knowledge about

the Company's operations, relations, business, or negotiations with such corporations.

If an investment of personal funds by an officer or employee in a venture or enterprise will not entail personal services or managerial attention, and if there appears to be no conflict or disparity of interest involved, the following procedure nevertheless shall be followed if all or any part of the business of the venture or enterprise is identical with, or similar or directly related to, that conducted by the Company, or if such business consists of the furnishing of goods or services of a type utilized to a material extent by the Company:

- (a) The officer or employee desiring to make such investment shall submit in writing to the Chairman of the Board and Chief Executive Officer of Enron Corp. a brief summary of relevant facts; and
- (b) The Chairman of the Board and Chief Executive Officer of Enron Corp. shall consider carefully the summary of relevant facts, and if he concludes that there appears to be no probability of any conflict of interest arising out of the proposed investment, the officer or employee shall be so notified and may then make the proposed investment in full reliance upon the findings of the Chairman of the Board and Chief Executive Officer of Enron Corp.

In the event the Chairman of the Board and Chief Executive Officer of Enron Corp. should desire to make such an investment, he may do so only upon approval of the majority of a quorum of the Executive Committee of the Board of Directors of Enron Corp., other than himself, at any regular or special meeting of such Committee.

Every officer and employee shall be under a continuing duty to report, in the manner set forth above, any situation where by reason of economic or other interest in an enterprise there is then present the possibility of a conflict or disparity of interest between the officer or employee and the Company. This obligation includes but is not limited to (1) any existing

personal investment at the date of promulgation of this policy, (2) any existing personal investment at the time of employment of any officer or employee by the Company, and (3) any existing personal investment, whether or not previously approved, which may become in conflict with the provisions of this policy because of changes in the business of the Company or changes in the business of the outside enterprise in which investment has been made.

In the event of a finding by the Chairman of the Board and Chief Executive Officer of Enron Corp. (or by the Executive Committee of the Board of Directors of Enron Corp., if applicable) that a material conflict or disparity of interest does exist with respect to any existing personal investment of an officer or employee, then, upon being so notified, the officer or employee involved shall immediately divest himself or herself of such interest and shall notify the Chairman and Chief Executive Officer of Enron Corp. (or the Executive Committee, if applicable) in writing that he or she has done so.

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